

# The Biz

Credit & Collection News

Collecting America's  
Debt Since 1930!



Caine & Weiner  
Companies

2nd Quarter, 2001

Volume 1 Issue 2



## Tricks of the Trade!

Why do professional collectors often succeed when others fail?

Few non-professionals are aware of the "strategic pause"--a simple and effective technique used by top collectors and Sales professionals

How does the professional collector handle debtor excuses?

Our easy to read booklet provides the answers and other helpful collection Tips.

For your free copy  
call  
818-908-2121  
or e-mail

[Joneda@caine-weiner.com](mailto:Joneda@caine-weiner.com)

## Caine & Weiner Offers Several Debtor Payment Options

Multiple choices designed to increase client cash flow

**Van Nuys, CA--** In keeping with Caine & Weiner's desire to constantly improve their level of customer service, executive management announced this week that an additional way to remit payment was now available to the debtors.

The resource known as *Quick Collect* is accessible through Western Union.

This additional payment path, combined with the ones already available, give debtors several different ways to remit payment to Caine & Weiner; including three credit card options and payment over the Internet

After reviewing a study of debtor payment habits and the changing demographics of the market place, the Caine & Weiner team decided to add the additional payment option to those already available.

The new option provides debtors with over 17,000 payment centers throughout the country. Since many of the centers are located in grocery, convenience stores, florist shops and hotels, debtors can remit payment 24/7.

"Their are times", said Bob Caine, Caine & Weiner's Chairman and Chief Executive Officer, "When guaranteed funds must be received from the debtor within a certain time frame in order to avoid litigation, interest penalties or foreclosure. This latest payment mechanism enables them to remit guaranteed funds in less than 10 minutes, hence, it's an excellent payment resource to use in those cases when the debtor is up against a deadline".

According to a spokesman for the company, the fee for this fast and inexpensive service is less than the cost to overnight the funds by express courier.

"Many people", said Caine, "Associate Western Union with a

### How does the automatic stay affect trade debt?

In a trade debt situation the automatic stay prevents a creditor from offsetting any credits or returns that the creditor owes the debtor against the debtors debt. The automatic stay, however, will not prevent a creditor from exercising rights under the Uniform Commercial Code to stop goods in transit before delivery to the debtor.

"Their are times", said Bob Caine.

**(Cover story continued)**

downtown location adjacent to the bus station. While that may have been true several years ago, today's payment centers are located at suburban convenience stores. This makes them safe and easy to access. Western Union is to be commended for their foresight and recognition of the changing business landscape".



In addition to the traditional ways of remitting payment, which include the U.S. Mail, courier service or walk-in delivery by the debtor to the company's network of offices, they may also remit payment by credit card or through Caine & Weiner's Q Check program.

"The Q Check program", said Caine, "Is a fast and easy way for the debtor to clear their account. By providing us with their checking account information, our collector

has the on-site technology to create a facsimile of the debtors check for same-day deposit."

Because the protocol and technology meet all legal standards, the on-site generated check can be deposited the same day.

*"Our diversity of debtor payment options is designed to get the cash into our client's bank account as fast as possible".*

*Bob Caine, CFO*

Since the transaction is handled over the telephone, it eliminates mail time-- shaving three days from the customary processing time.

After providing the checking account information, the debtor is reminded by the collector to record the payment information into their check register for future reference.

"Our diversity of debtor payment options", said Caine, "Is designed to get the cash into our client's bank account as fast as possible!"

## Help is on the way for the Techno-timid

Technology is advancing at a blistering pace. There are near-daily innovations that help businesses increase reach, decrease cost and grow.

But the most promising technology-driven business plans will go bust if customers are computer shy.

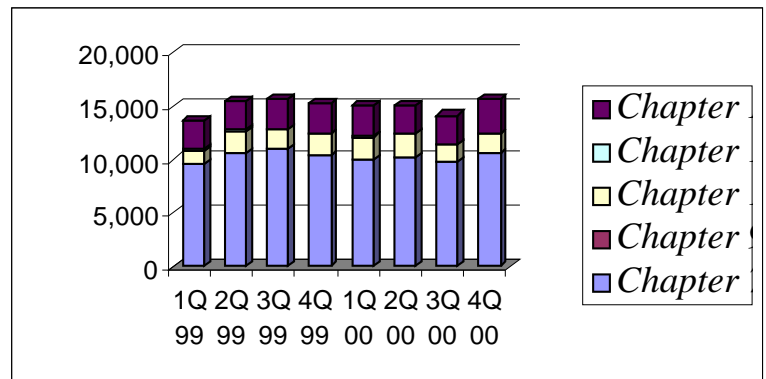
Technology may seem standard for most people, but there are still many among us who are computer novices and find PC's costly or intimidating.

Electronic companies have targeted the techno-timid with a new approach: Internet appliances.

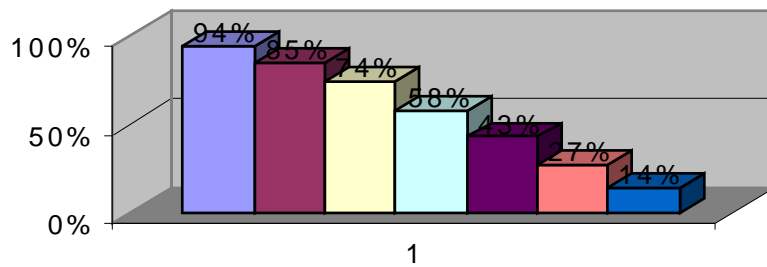
These streamlined machines simplify access to the Internet and e-mail without the extra features of a traditional PC. Companies like 3Com and Intel are offering the appliances and analysts predict sales of 12 million units a year by 2004. The units are now being sold for \$500.

## Commercial Bankruptcy Filings

	Chapter7	Chapter9	Chapter11	Chapter12	Chapter13	Total
1Q99	9547	3	1,334	114	2,733	13,731
2Q99	10,533	5	2,166	86	2,720	15,510
3Q99	10,933	2	1,876	69	2,712	15,592
4Q99	10,480	4	1,924	77	2,821	15,306
<b>99Total</b>	<b>41,493</b>	<b>14</b>	<b>7,300</b>	<b>346</b>	<b>10,986</b>	<b>60,139</b>
1Q00	9,978	4	2,148	72	2,896	15,098
2Q00	10,237	6	2,121	66	2,716	15,146
3Q00	9,857	7	1,556	18	2,711	14,149
4Q00	10,599	3	1,832	4	3,324	15,762
<b>00Total</b>	<b>40,671</b>	<b>20</b>	<b>7,657</b>	<b>160</b>	<b>11,647</b>	<b>60,155</b>



## Debt Recovery Projection



## Quick Action Cuts Accounts Receivable Losses

**Van Nuys, CA**--Credit Managers have long realized the older a debt becomes the less likely it will be collected.

Reasons include lost records, employee turnover, transient debtors, lost delivery receipts and insolvency.

“We encourage our clients to take prompt action when it comes to managing their receivables”, said Greg Cohen, Caine & Weiner’s President and Chief Operating Officer. “It’s especially important during an industry slowdown that Credit Managers don’t allow their accounts to become seriously past due”, he said, “Otherwise there’s a good chance they’ll end up having to write off the balance as a bad debt”.

According to figures obtained from the Commercial Collection Agency Association, the likelihood of recovering a current balance was just under 95%. For balances that were 90 days past due the chance of recovery was less than 74%.

“Another cash flow dynamic often overlooked”, said Cohen, “is that the value of receivables shrink. A six month old dollar is worth just 45 cents. This is because financing costs are required to manage and replace the displaced cash flow. Such costs include billing, administrative and maintenance expenses along with the collectability efforts due to aging. The message is clear-- don’t delay, take immediate action with your receivables!”

## Getting Your Customer To Pay Faster

- \* Send new customers a “welcome aboard” letter, outlining your terms of payment
- \* Withhold sales commissions until the invoice is paid
- \* Address disputes and deductions immediately
- \* A few days before the due date, send the customer a courtesy reminder
- \* Use e-mail to send polite reminders
- \* Train your customers. Let them know *prompt* payment is expected

## Bankruptcy Reform Gathering Momentum

The American Bankers Association and the Independent Community Bankers of America have joined forces to get bankruptcy reform enacted

Officials of these organizations are confident that the new administration will support the reform they’re seeking.

Although the Bankruptcy Reform Act of 2000 was introduced last year, it was vetoed by President Clinton who felt it was unbalanced.

Proponents of revising America’s bankruptcy law cite rampant abuse and a rapid rise in bankruptcy filings.

In 1998, a record 1.4 million filings were recorded.

Those opposed to tightening bankruptcy rules include consumer groups and unions who contend new legislation would make it harder for individuals to file. They contend that single mothers and their children who need alimony and support from bankrupt fathers would be unfairly penalized along with those suffering from job losses and heavy medical expenses.

“We will mount a very energized campaign to get it passed”, said Ron Ence, ICA’s Director of Legislative affairs. “We feel President Bush is more likely to sign the bankruptcy reform bill”. he said.